

SERFF Tracking Number: AGNY-128053598 State: Illinois  
Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa. State Tracking Number: AGNY-128053598  
Company Tracking Number: CHS-11-EO-28  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice  
Made/Occurrence  
Product Name: Dentists Professional Liability Program 018300000750  
Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

## Filing at a Glance

Company: National Union Fire Insurance Company of Pittsburgh, Pa.

Product Name: Dentists Professional Liability Program 018300000750  
SERFF Tr Num: AGNY-128053598 State: Illinois

TOI: 11.0 Medical Malpractice - Claims SERFF Status: Closed-Filed State Tr Num: AGNY-128053598  
Made/Occurrence

Sub-TOI: 11.0006 Dentists - General Practice Co Tr Num: CHS-11-EO-28 State Status:  
Filing Type: Rate/Rule Reviewer(s): Gayle Neuman

Author: Myron Harry Disposition Date: 06/05/2012

Date Submitted: 01/31/2012 Disposition Status: Filed

Effective Date Requested (New): 03/01/2012

Effective Date Requested (Renewal): 03/01/2012

Effective Date (New): 05/31/2012

Effective Date (Renewal):  
05/31/2012

State Filing Description:

## General Information

Project Name: Dentists Professional Liability Program  
Project Number: CHS-11-EO-28

Status of Filing in Domicile:  
Domicile Status Comments: Filing being  
submitted simultaneously on a Countrywide  
basis.

Reference Organization:  
Reference Title:  
Filing Status Changed: 06/05/2012

Reference Number:  
Advisory Org. Circular:

State Status Changed:  
Created By: Myron Harry  
Corresponding Filing Tracking Number:  
Filing Description:

Deemer Date:  
Submitted By: Myron Harry

National Union Fire Insurance Company of Pittsburgh, Pa. submits for your review and approval a revision to its Dentists Professional Liability Program (the "Program") that is currently on file with the Department under our filing no. AIC-08-EO-10. This Program provides coverage on behalf of the National Society of Dental Practitioners, a risk purchasing group. Generally, this filing:

SERFF Tracking Number: AGNY-128053598 State: Illinois  
Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa. State Tracking Number: AGNY-128053598  
Company Tracking Number: CHS-11-EO-28  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice  
Made/Occurrence  
Product Name: Dentists Professional Liability Program 018300000750  
Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

- Revises the base rate for use with this Program;
- Revises the rules to reflect the introduction of Limited Health Insurance Portability and Accountability Act ("HIPAA") and Corporate Identity Protection ("CIP") Coverage, changes to the Part Time and First Year New Dentists credits and a correction to the Claims Experience Debit.

Please note that HIPAA coverage will be provided at the basic limit at no additional charge.

The Corporate Identity Protection ("CIP") Coverage will be offered to our insureds as a supplemental, optional coverage. This coverage will offer Personal Identity Liability, Administrative Action and Identity Event Services. We have found, based on another Healthcare program with the Company, there is a growing need for CIP coverage among individual healthcare providers. The pricing for this is based on the rates in effect for the other Healthcare program.

Please be advised that our statistical reporting agency is ISO.

Please refer to the attached actuarial materials, and blackline versions for information about the rates and rules included in this submission.

In addition, several forms to be used with this Program have been submitted under SERFF Tracking Number AGNY-127886359.

Your favorable consideration and approval are respectfully requested.

State Narrative:

## Company and Contact

### Filing Contact Information

Myron Harry, myron.harry@aig.com  
175 Water Street - 17th Floor 212-458-7057 [Phone]  
New York, NY 10038 212-458-7077 [FAX]

### Filing Company Information

National Union Fire Insurance Company of Pittsburgh, Pa.	CoCode: 19445	State of Domicile: Pennsylvania
175 Water Street	Group Code:	Company Type:
New York, NY 10038	Group Name:	State ID Number:
(212) 458-5000 ext. [Phone]	FEIN Number: 25-0687550	

SERFF Tracking Number: AGNY-128053598 State: Illinois  
 Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa. State Tracking Number: AGNY-128053598  
 Company Tracking Number: CHS-11-EO-28  
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice  
 Made/Occurrence  
 Product Name: Dentists Professional Liability Program 018300000750  
 Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

-----

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
National Union Fire Insurance Company of Pittsburgh, Pa.	\$0.00		

## State Specific

Refer to our checklists prior to submitting filing  
 ([http://www.idfpr.com/DOI/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.htm](http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm)): Acknowledged  
 Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: Acknowledged  
 NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. : [http://www.idfpr.com/DOI/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.htm](http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm): Acknowledged  
 Medical Malpractice rates/rules may only be submitted in paper.: Acknowledged  
 The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.": Acknowledged  
 When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG -

Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: N/A - Rates/Rules Filing

SERFF Tracking Number: AGNY-128053598 State: Illinois

Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa. State Tracking Number: AGNY-128053598

Company Tracking Number: CHS-11-EO-28

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice

Made/Occurrence

Product Name: Dentists Professional Liability Program 018300000750

Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Gayle Neuman	06/05/2012	06/05/2012

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Gayle Neuman	02/02/2012	02/02/2012	Myron Harry	02/07/2012	02/07/2012

Industry  
Response

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Dentists Professional Liability Program - CHS-11-EO-28	Note To Reviewer	Myron Harry	06/04/2012	06/04/2012
effective date	Note To Filer	Gayle Neuman	06/04/2012	06/04/2012
effective date	Note To Filer	Gayle Neuman	04/23/2012	04/23/2012

<i>SERFF Tracking Number:</i>	<i>AGNY-128053598</i>	<i>State:</i>	<i>Illinois</i>
<i>Filing Company:</i>	<i>National Union Fire Insurance Company of Pittsburgh, Pa.</i>	<i>State Tracking Number:</i>	<i>AGNY-128053598</i>
<i>Company Tracking Number:</i>	<i>CHS-11-EO-28</i>		
<i>TOI:</i>	<i>11.0 Medical Malpractice - Claims Made/Occurrence</i>	<i>Sub-TOI:</i>	<i>11.0006 Dentists - General Practice</i>
<i>Product Name:</i>	<i>Dentists Professional Liability Program 018300000750</i>		
<i>Project Name/Number:</i>	<i>Dentists Professional Liability Program/CHS-11-EO-28</i>		

## Disposition

Disposition Date: 06/05/2012

Effective Date (New): 05/31/2012

Effective Date (Renewal): 05/31/2012

Status: Filed

Comment:

<b>Company Name:</b>	<b>Overall % Indicated Change:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b># of Policy Holders Affected for this Program:</b>	<b>Written Premium for this Program:</b>	<b>Maximum % Change (where required):</b>	<b>Minimum % Change (where required):</b>
National Union Fire Insurance Company of Pittsburgh, Pa.	21.000%	7.000%	\$134,816	1,199	\$1,925,949	7.000%	7.000%

SERFF Tracking Number: AGNY-128053598 State: Illinois

Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa. State Tracking Number: AGNY-128053598

Company Tracking Number: CHS-11-EO-28

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice

Made/Occurrence

Product Name: Dentists Professional Liability Program 018300000750

Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document (revised)	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Certification		Yes
Supporting Document	Manual		Yes
Rate	IL Rate Plan (10-2011)		Yes
Rate	IL Rating Rules (10-2011)		Yes

SERFF Tracking Number: AGNY-128053598 State: Illinois  
Filing Company: National Union Fire Insurance Company of  
Pittsburgh, Pa. State Tracking Number: AGNY-128053598  
Company Tracking Number: CHS-11-EO-28  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice  
Made/Occurrence  
Product Name: Dentists Professional Liability Program 018300000750  
Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 02/02/2012  
Submitted Date 02/02/2012  
Respond By Date 02/08/2012  
Dear Myron Harry,

This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:

The RF-3 Summary Sheet should be changed. You inserted "\$134,816" where the effective date should be. We request the annual premium volume and percent change be entered on line 15. Other and add the comment "medical malpractice". Additionally, the brief description of the filing should include a reference to "dentist". Finally, the "Official-Title" blank was not completed as required.

Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>

Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:

[http://insurance.illinois.gov/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.htm](http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.htm)

Please submit compliant form(s) no later than the date shown above or the entire filing may be disapproved. Please be advised that when the Director disapproves the form(s) you must immediately cease using the form(s) in Illinois.

Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.

Sincerely,  
Gayle Neuman



SERFF Tracking Number: AGNY-128053598 State: Illinois  
Filing Company: National Union Fire Insurance Company of  
Pittsburgh, Pa. State Tracking Number: AGNY-128053598  
Company Tracking Number: CHS-11-EO-28  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice  
Made/Occurrence  
Product Name: Dentists Professional Liability Program 018300000750  
Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/07/2012
Submitted Date	02/07/2012

Dear Gayle Neuman,

### Comments:

In response to your comment letter dated February 2, 2012, we offer the following:

### Response 1

Comments: Attached please find a revised Form RF3- Summary Sheet.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Form RF3 - (Summary Sheet)

Comment: Attached please find a revised Illinois Form RF-3.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please let us know if we can be of any further assistance.

Myron Harry

Sincerely,  
Myron Harry

*SERFF Tracking Number:* AGNY-128053598 *State:* Illinois  
*Filing Company:* National Union Fire Insurance Company of *State Tracking Number:* AGNY-128053598  
Pittsburgh, Pa.  
*Company Tracking Number:* CHS-11-EO-28  
*TOI:* 11.0 Medical Malpractice - Claims *Sub-TOI:* 11.0006 Dentists - General Practice  
Made/Occurrence  
*Product Name:* Dentists Professional Liability Program 018300000750  
*Project Name/Number:* Dentists Professional Liability Program/CHS-11-EO-28

**Note To Reviewer**

**Created By:**

Myron Harry on 06/04/2012 02:58 PM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

06/05/2012 08:20 AM

**Subject:**

Dentists Professional Liability Program - CHS-11-EO-28

**Comments:**

Ms. Neuman,

In response to your note regarding the effective date, yes, we would like to have a May 31, 2012 effective date for this filing. Thank you.

Myron Harry

SERFF Tracking Number: AGNY-128053598 State: Illinois  
Filing Company: National Union Fire Insurance Company of State Tracking Number: AGNY-128053598  
Pittsburgh, Pa.  
Company Tracking Number: CHS-11-EO-28  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice  
Made/Occurrence  
Product Name: Dentists Professional Liability Program 018300000750  
Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

**Note To Filer**

**Created By:**

Gayle Neuman on 06/04/2012 10:51 AM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

06/05/2012 08:20 AM

**Subject:**

effective date

**Comments:**

The corresponding form filing was filed as of May 31, 2012. Is this the effective date you are requesting for this filing?  
Please advise.

SERFF Tracking Number: AGNY-128053598 State: Illinois  
Filing Company: National Union Fire Insurance Company of State Tracking Number: AGNY-128053598  
Pittsburgh, Pa.  
Company Tracking Number: CHS-11-EO-28  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice  
Made/Occurrence  
Product Name: Dentists Professional Liability Program 018300000750  
Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

**Note To Filer**

**Created By:**

Gayle Neuman on 04/23/2012 10:03 AM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

06/05/2012 08:20 AM

**Subject:**

effective date

**Comments:**

The Department of Insurance has now completed its review of the filing referenced above. Originally, National Union Fire requested the filing be effective March 1, 2012. Was the filing put in effect on March 1, 2012 or do you wish to have a different effective date? Your prompt response is appreciated.

SERFF Tracking Number: AGNY-128053598 State: Illinois  
Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa. State Tracking Number: AGNY-128053598  
Company Tracking Number: CHS-11-EO-28  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice  
Made/Occurrence  
Product Name: Dentists Professional Liability Program 018300000750  
Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

**Post Submission Update Request Processed On 03/05/2012**

Status: Allowed  
Created By: Myron Harry  
Processed By: Gayle Neuman  
Comments:

**Company Rate Information:**

Company Name: National Union Fire Insurance Company of Pittsburgh, Pa.

Field Name	Requested Change	Prior Value
Overall % Indicated Change	21.000%	0.000%

SERFF Tracking Number:	AGNY-128053598	State:	Illinois
Filing Company:	National Union Fire Insurance Company of Pittsburgh, Pa.	State Tracking Number:	AGNY-128053598
Company Tracking Number:	CHS-11-EO-28		
TOI:	11.0 Medical Malpractice - Claims Made/Occurrence	Sub-TOI:	11.0006 Dentists - General Practice
Product Name:	Dentists Professional Liability Program 018300000750		
Project Name/Number:	Dentists Professional Liability Program/CHS-11-EO-28		

## Rate Information

Rate data applies to filing.

### Filing Method:

### Rate Change Type:

Increase

### Overall Percentage of Last Rate Revision:

%

### Effective Date of Last Rate Revision:

05/26/2010

### Filing Method of Last Filing:

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
National Union Fire Insurance Company of Pittsburgh, Pa.	21.000%	7.000%	\$134,816	1,199	\$1,925,949	7.000%	7.000%

SERFF Tracking Number: AGNY-128053598 State: Illinois

Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa. State Tracking Number: AGNY-128053598

Company Tracking Number: CHS-11-EO-28

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice  
Made/Occurrence

Product Name: Dentists Professional Liability Program 018300000750

Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

## Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
	IL Rate Plan (10-2011)	Pages 1 - 5	Replacement	IL Rate Plan (10-2011)- Clean.pdf
	IL Rating Rules (10-2011)	Pages 1 - 5	Replacement	IL Rating Rules (10-2011) -Clean.pdf

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**  
**DENTAL PROFESSIONAL LIABILITY**  
**RATE PLAN**  
**ILLINOIS**

**1. PROFESSIONAL LIABILITY MATURE CLAIMS MADE BASE PREMIUMS**

<b>Limit of Liability</b>	<b>Base Premium</b>
\$1,000,000 each claim / \$3,000,000 aggregate	
Territory 1: Cook County	\$1,641
Territory 2: Remainder of State	\$1,023

**2. A. CLASS PLAN RELATIVITY FACTORS**

<b>Class</b>	<b>Factor</b>
1	1.000
2	1.250
3	1.500
4	2.770
5	8.000

**B. CLASS PLAN DESCRIPTIONS**

**Class 1 DENTAL CLASS I - NON-INVASIVE OR MINIMALLY INVASIVE PROCEDURES AND SELECT SPECIALTIES**

Specialists:

Endodontist  
Orthodontist (simple extractions up to 25% of procedures)  
Public Health Dentist  
Periodontist (surgical placement of implants up to 25% of procedures)  
Prosthodontist (surgical placement of implants up to 25% of procedures)  
Pediatric Dentist  
Oral Pathologist

General Dentists performing the following procedures:

Diagnostic  
Preventative  
Restorative  
Non-surgical TMJ treatments – mouth guards and splints  
Cosmetic whitening, veneers  
Restorative Implants up to 15% of practice (based on number of procedures)  
Endodontia – up to 25% of practice (based on number of procedures)  
Prosthodontia – up to 25% of practice (based on number of procedures)  
Periodontia – up to 25% of practice (based on number of procedures) excluding surgical implants  
Oral surgery (up to 25% of total practice, based on number of procedures; simple extractions only, no full bony or partial bony impactions)

This classification applies to all DDS's or DMD's who are Board Eligible or Certified Specialists in above areas; or are General Practitioners and who use local, nitrous oxide or oral conscious sedation. This classification also applies to all dentists who provide services to patients who have been administered deep sedation or general anesthesia in their office, or in a hospital, or surgi-center by an MD / nurse anesthetist, dentist anesthetist, or oral surgeon not in their employ.

**Class 2 DENTAL PROCEDURES LEVEL II & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**

Applies to all General Dentists:

With greater than 25% of practice (in any one category) in the specialty areas of Prosthodontics and/or Endodontics, surgical Periodontal procedures, Orthodontics or oral surgery (simple extractions only, no extractions of full or partial bony impacted teeth).

For classification purposes all dentists whose procedures exceed 25% or more in the above specialized areas of practice will be rated under this classification.

**Class 3 DENTAL PROCEDURES LEVEL III & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**

Applies to all Specialists (except Oral Surgeons) and General Dentists:

Extractions of full or partial bony impacted teeth

Applies to all General Dentists:

Implant restorations that exceed 15% of the total practice or any % of surgical implants



This classification applies to all General Dentists DDS's or DMD's whose practice specializes in providing implants. For classification purposes all insureds that treat 15% or more of their patients for implants will be rated under this classification.

**Class 4 ANESTHESIA CLASS**

Anesthesia:

I.V. Conscious Sedation  
I.M. Conscious Sedation  
Sub-cutaneous Conscious sedation

Anesthesia: This classification contemplated the insured dentist administering the sedation and performing the dental procedure.

**Class 5 ORAL & MAXILLOFACIAL SURGEONS AND DENTIST ANESTHESIOLOGISTS**

Anesthesia:

In-Office Includes General Anesthesia

This classification applies to all Oral Surgeons and Dental Anesthesiologists. This classification would also apply to any DDS or DMD who administer and treat patients under deep sedation to an unconscious state, deep sedation, or general anesthesia in their office. Proof of their education, training and/or license/permit would need to be secured prior to proceeding.

**3. POLICY TYPE FACTORS**

<b>A. Claims Made Year</b>	<b>Factor</b>
Year 1	0.336
Year 2	0.567
Year 3	0.797
Year 4	1.000
Year 5	1.000
<b>B. Occurrence</b>	<b>1.100</b>

**4. INCREASED LIMIT FACTORS**

<b>Increased Limit</b>	<b>Factor</b>
\$100,000 / \$300,000	0.782
\$200,000 / \$600,000	0.890
\$500,000 / \$1,500,000	0.946
\$1,000,000 / \$3,000,000	1.000
\$2,000,000 / \$4,000,000	1.100
\$2,000,000 / \$6,000,000	1.150
\$3,000,000 / \$3,000,000	1.200
\$3,000,000 / \$6,000,000	1.250
\$4,000,000 / \$6,000,000	1.300
\$5,000,000 / \$5,000,000	1.325
\$5,000,000 / \$6,000,000	1.350

**5 DEDUCTIBLES**

The following deductibles may be offered on a per occurrence basis only for Professional Liability.

The credit will be applied to the base rate, i.e., Manual Premium = [(Base Rate x ILF) - (Base Rate X Deductible Credit)]

<b>DEDUCTIBLE</b>	<b>CREDIT</b>
\$0	0.00
\$1,000	0.05
\$2,500	0.10
\$5,000	0.19
\$10,000	0.30

**6 EXTENDED REPORTING PERIOD FACTORS**

<b>Number of Years of Prior Acts</b>	<b>Factor to be Multiplied by the Mature Claims Made Premium</b>
1 Year	0.80
2 Year	1.20
3 Year	1.45
4 Year	1.60
5 OR MORE YEARS	1.80

**7 NEW DENTIST DISCOUNT FACTORS**

<b>Years in Practice</b>	<b>Factor</b>
First Year	0.25
Second	0.60
Third Year	0.80

**8 PART TIME DENTIST DISCOUNT FACTOR**

<b>Number of Hours in Practice</b>	<b>Factor</b>
10 hours or less per week	0.25
20 hours or less per week	0.50
21 hours or more per week	1.00

**9 FACULTY DISCOUNT FACTORS**

<b>Appointment Status</b>	<b>Factor</b>
Full-Time	0.70
Half-Time	0.80
Part-Time	0.90
Zero-Time	1.00

**10 WAIVER OF CONSENT DISCOUNT FACTOR** 0.90

**11 RISK MANAGEMENT EDUCATION FACTOR** 0.90

**12 CLAIM FREE CREDIT DISCOUNT FACTORS**

<b>Years</b>	<b>Factor</b>
10 + years claim free	0.90
9 years claim free	0.91
8 years claim free	0.92
7 years claim free	0.93
6 years claim free	0.94
5 years claim free	0.95
4 years claim free	0.96
3 years claim free	0.97
2 years claim free	0.98
1 years claim free	0.99

**13 CLAIMS EXPERIENCE DEBIT**

**TOTAL OF ALL CLAIMS AMOUNT**

	1 loss	2 losses	3 losses	4 losses
\$0 - \$3,000	1.00	1.10	1.15	1.20
\$3,001 - \$10,000	1.10	1.15	1.20	1.25
\$10,001 - \$20,000	1.15	1.20	1.25	1.30
\$20,001 - \$30,000	1.20	1.25	1.30	1.35
\$30,001 - \$40,000	1.25	1.30	1.35	1.40
\$40,001 +	1.30	1.35	1.40	1.50

**14 INDIVIDUAL RISK PREMIUM MODIFICATIONS**

	<u>Credits</u>	<b>Range of Modifications</b>	<u>Debits</u>
Operational controls and procedure mix, such as but not limited to mandatory referrals for extractions, use of consent forms, internal documentation practices, implant procedures and laser use, and extraction of impacted third molars.	10%		25%
Practice Characteristics, such as but not limited to single v. multiple locations, degree of severity presented by area of specialization, volume of patient traffic, number of years of patient experience.	10%		25%
Loss Control procedures, such as but not limited to training and retraining of all employees on the safest way to do their job; promoting safety awareness; conducting frequent safety inspections of all work areas; having an office safety program; using proper sterilization techniques to ensure environmental is free from the possibility of contamination from blood-borne pathogens.	10%		25%
Claim peculiarities, such as but not limited to who was responsible for the loss (Insured Dentist, Employee of Insured Dentists, Partner, Independent Contractor- this is for the respondent superior or indemnity exposures); frequency or lack of administrative actions such as peer review, office of professional discipline or dental board	10%		25%

complaints; frequency or lack of claims for return of fees

Maximum Debit/Credit=25%

**15 ADDITIONAL INSURED PREMIUM CHARGE FACTOR**

10% Premium Charge

**Factor**  
1.10

**16 BOARD EXAMINATION COVERAGE PREMIUM CHARGE**

Premium Charge for a Limit of Liability of \$1,000,000 per occurrence /  
\$1,000,000 aggregate

\$20

**17 MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Premium Charge for a Limit of Liability of \$50,000 per occurrence /  
\$50,000 aggregate

\$50

**18 DISABILITY OR LEAVE OF ABSENCE**

75% Premium Discount

**Factor**  
0.25

**19 ACADEMY OF GENERAL DENTISTRY MEMBERSHIP (AGD)**

Academy of General Dentistry Membership - Members in good standing who have completed the following requirements are eligible for membership credit.

Application Requirements:

Membership Maintenance - Members must earn 75 hours of continuing dental education during their 3 year review period.  
Recent graduates have 5 years to complete.

**Credit**  
10%

Fellowship Award Requirements - Fellowship requires 5 continuous years (50 consecutive months of membership in AGD, plus 500 hours of approved continuing education credit (at least 350 of which is earned in course attendance).

15%

Accepted activities for Fellowship credits are:

Scientific Programs  
Postgraduate Education  
Federal Dental Service Specialty Rotation Programs  
Self-Instruction Programs  
Self-Improvement AGD approved courses

**20. ACADEMY OF GENERAL DENTISTRY MEMBERSHIP CONTINUED**

Membership Award Requirements - Mastership requires Fellowship status in the AGD, plus completion of 600 credit hours of approved continuing education in each of 16 separate disciplines:

20%

Myofascial Pain Dysfunction / Occlusion  
Operative Dentistry  
Periodontics  
Fixed Prosthodontics  
Removable Prosthodontics  
Endodontics  
Oral & Maxillofacial Surgery  
Orthodontics  
Pediatric Dentistry  
Basic Sciences  
Oral Medicine / Oral Diagnosis  
Practice Management  
Electives  
Implants  
Special Patient Care  
Esthetics

**21. AMERICAN DENTAL ASSOCIATION MEMBER CREDIT**

A credit of 5% will be applied to each dentist who is a member of the American Dental Association.

**22. GROUP DISCOUNTS**

A single group practice policy issued to two or more dentists is eligible for a premium discounts based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduces administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discounts are applicable:

Group Size	Premium Credit
2 - 5 Dentists	5%
6 - 10 Dentists	10%
11 - 25 Dentists	15%
> 25 Dentists	20%

## II. COVERAGE OPTIONS:

### A Dentist Liability Package Policy

The Dentist Liability Package Policy will include all coverages I, II, III, IV, V, VI and VII. The charge of the additional coverage may be purchased for an additional 11%. The annual Professional Liability Premium will be multiplied by 1.11.

### B Employment Practices Liability - increased limits

Coverage V, Employment Practices Liability limits may be increased to \$25,000 each claim / \$25,000 aggregate for an additional premium charge of \$130. Additional increased limits are available - see below.

The applicable flat rate in the following table shall be applied to each Named Insured policy based on the number of employees: The rates shown are the total amounts charged for the limits shown. The limits shown are on a per occurrence / aggregate basis.

Limits of Liability*				
Number of Employees**	\$100,000 / \$100,000	\$250,000 / \$250,000	\$500,000 / \$500,000	\$750,000 / \$750,000
1-3	\$268	\$360	\$451	\$494
4	\$358	\$480	\$601	\$659
5	\$447	\$600	\$752	\$823
6	\$537	\$720	\$902	\$988
7	\$626	\$839	\$1,052	\$1,153
8	\$716	\$959	\$1,203	\$1,317
9	\$805	\$1,079	\$1,353	\$1,482

\*A mandatory deductible of \$2,500 applies to the above coverage

\*\*10 or more employees - please refer to Company

### C ERISA Fiduciary Liability Coverage

Coverage is available as follows:

Limit of Liability	Premium
\$100,000 / \$100,000	\$130

### D Organization / Entity Coverage

Coverage can be provided for Dental Practitioner Group Partnerships, Corporations or Professional Associations for liability arising from the practice of dentistry by member dental providers and allied practitioners.

There is no additional charge to have coverage sharing in the limits of liability with the Named Insured. A charge of 10% of the total premium (all Named Insureds) will be added if a separate limit of liability is purchased.

### E Billing Errors & Omissions Coverage

Coverage is available as follows:

Limits of Liability	Premium
\$25,000	\$100

### F Corporate Identity Protection Coverage

Coverage is available as follows

Limits of Liability*	Premium	
\$10,000	\$100	
a. Personal Identity Liability Sublimit for all personal identity even		\$10,000
b. Administrative Action Sublimit for all administrative expense		\$10,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event service		\$10,000
Limits of Liability*	Premium	
\$25,000	\$150	
a. Personal Identity Liability Sublimit for all personal identity even		\$25,000
b. Administrative Action Sublimit for all administrative expense		\$25,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event service		\$25,000
Limits of Liability*	Premium	
\$50,000	\$300	
a. Personal Identity Liability Sublimit for all personal identity even		\$50,000
b. Administrative Action Sublimit for all administrative expense		\$50,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event service		\$50,000
Limits of Liability*	Premium	
\$100,000	\$600	
a. Personal Identity Liability Sublimit for all personal identity even		\$100,000
b. Administrative Action Sublimit for all administrative expense		\$100,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event service		\$100,000

\* Retention of \$500 is mandatory for each personal identity event

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**  
**DENTAL PROFESSIONAL LIABILITY**  
**RATING RULES**  
**ILLINOIS**

**I. COVERAGES AVAILABLE:**

**Option I.** Dental Professional Liability (Monoline Professional Liability)  
Mandatory minimum coverage

Coverage Type  
Claims - Made or Occurrence

The following coverages will be included in the Professional Liability Coverage at no additional charge:

<u>Coverage</u>	<u>Limit of Liability</u>
Medical Payments Coverage	\$10,000
Administrative Hearing	\$50,000
Limited Health Insurance Portability and Accountability Act ("HIPAA") Defense Only Coverage	\$25,000

**Option II.** Dental Professional Package:

The following coverages are available:

<u>Coverage:</u>		<u>Coverage Type</u>
I.	Dentists Professional Liability	Claims - Made or Occurrence
II.	Dentists General Liability	Occurrence
	a. Premises, Products / Completed Operations	
	b. Medical Payments - \$10,000 / \$10,000	
III.	Non-owned & Hired Auto Liability	Occurrence
IV.	Employee Benefits Administration Liability	Occurrence
V.	Employment Practices Liability - \$5,000 / \$5,000	Claims - Made
VI.	Medical Waste Legal Reimbursement - \$50,000 / \$50,000	Claims - Made or Occurrence
VII.	Billing Errors & Omissions - \$2500/\$2500	Claims - Made

The following limits of liability are available on a per occurrence / aggregate basis as listed below:

	Coverage I Professional Liability only	Coverage II, III & IV GL, Hired & NO, Employee Benefits	Coverage V Employment Practices	Coverage VI Medical Waste Legal	Coverage VII Billing Errors & Omissions
<b>A.</b>	\$100,000 / \$300,000	\$100,000 / \$300,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>B.</b>	\$200,000 / \$600,000	\$200,000 / \$600,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>C.</b>	\$500,000 / \$1,500,000	\$500,000 / \$1,500,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>D.</b>	\$1,000,000 / \$3,000,000	\$1,000,000 / \$3,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>E.</b>	\$2,000,000 / \$4,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>F.</b>	\$2,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>G.</b>	\$3,000,000 / \$3,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>H.</b>	\$3,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>I.</b>	\$4,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>J.</b>	\$5,000,000 / \$5,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>K.</b>	\$5,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500

Coverages II - VII must be purchased as a package. They are not available on a stand alone basis. Only coverage I Dental Professional Liability is available on a monoline basis. Coverage VI and VII may be added separately to a mono line Dental Professional Liability Policy.

Coverage II Dentists General Liability, Coverage III Non-owned & Hired Auto Liability and Coverage IV Employee Benefits Administration Liability limits must be equal to the limits of liability listed in the table above for the option selected by the insured.

Coverage VI, Medical Waste Legal Reimbursement limits may not be increased under this program.

Coverage VII, Billing Errors & Omissions may be increased to \$25,000 for an additional payment of \$100.

**II. GENERAL RULES**

**1 PREMIUM BASE**

Both occurrence and claims made rates apply on a per Dentist basis for Professional Liability

**2 POLICY TERM**

Policies will be written for a term of one year and renewed annually thereafter, subject to underwriting review.

**3 PREMIUM COMPUTATION**

A. Compute the premium using the rates in effect at the time of policy issuance.

B. Pro-rate the premium when policy is issued for other than one year.

C. Premiums are calculated as specified for the respective coverage. Rounding to the nearest whole dollar amount (i.e. .50 and great rounds up; .49 and below rounds down) is done after the computation of the final premium.

D. Individual Risk Premium Modifications will be added together and applied as one modification to the premium. All other factors will be multiplied against the base premium.

**4 ADDITIONAL PREMIUM CHARGES**

A. Pro-rate all changes requiring additional premium.

B. Apply the rates and rules in effect on the effective date of the change.

C. Waive additional premium of \$20.00 or less. The waiver only applies to cash exchange due on an endorsement effective date.

**5 RETURN PREMIUM CHARGES**

A. Deletion of a mandatory coverage is not permitted unless the entire policy is canceled.

B. Compute return premium at the rate used to calculate the policy premium.

C. Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.

D. Waive return premium of \$20.00 or less. Grant any return premium if requested by the Insured. This waiver only applies to cash exchanges due on the endorsement effective date.

**6 POLICY CANCELLATION**

A. Compute return premium pro rata when:

- 1 A policy is canceled at the Company's request.
- 2 The Insured no longer has a financial or an insurable interest in the subject of insurance.
- 3 A policy is canceled and rewritten in the same Company or Company Group.
- 4 A policy is canceled due to death, disability or retirement.

B. If cancellation is for any other reason than stated in A. above; compute the return premium at .90 of the pro rata unearned premium for the one-year period.

C. Retain the Policy Writing Minimum Earned Premium when the Insured requests cancellation except when a policy is canceled as of the inception date. In the event of a cancellation, the minimum premium will be considered to be the annual premium charge with cancellation premium subject to the policy writing minimum earned premium. The policy writing minimum earned premium shall be \$250.00 per annual or lesser period, unless otherwise specified for the respective coverage.

**7 LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state and territory. An exception will be allowed for dentists who have a multi-state or multi-territory exposure. We will charge the rate of the state or territory in which the dentist has a majority of his / her practice.

**8 MAXIMUM CREDITS ALLOWABLE**

The maximum amount of credits to be applied may not exceed 60% for each scheduled dentist. The maximum does not include: Waiver of consent, deductible factors, decreased limit factors, and claims made step factors.

**9 TERMINATION OF COVERAGE (CLAIMS MADE COVERAGE ONLY)**

Within thirty (30) days after the termination of coverage, as defined below, the Company will advise the Named Insured in writing of the automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage.

The Named Insured shall have the greater of sixty (60) days from the effective date of termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, to submit to the Company written acceptance of the Extended Reporting Period Coverage.

Termination of Coverage, whether made by the Company or the Named Insured at any time, means either (1) cancellation or non-renewal of a policy, or (2) decrease in limits, reduction of coverage, increased deductible or self insured retention, new exclusion or any other change in coverage less favorable to the Insured.

**10 EXTENDED REPORTING PERIOD COVERAGE (CLAIMS MADE COVERAGE ONLY)**

The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting approval.

A. The available limits of liability shall not exceed those afforded under the current policy.

B. In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.

C. Extended Reporting Period premiums shall be calculated upon the rates and premiums in effect at the beginning of the policy period.

D. The Extended Reporting Period coverage shall be reinstated to 100% of the aggregate expiring limits.

E. There will be no charge for Extended Reporting Period coverage if the Insured:

1 Dies, or

2 Becomes totally and permanently disabled

Disability shall mean the total and permanent disability from the practice of clinical dentistry for a period of six consecutive months without expectation of recovery. The disability or death must result from sickness or accidental bodily injury and be confirmed in writing by an independent attending physician.

3 Fully retires at age 50 or more and has been insured under an affiliate Company for at least 5 years.

If not insured for 5 years, a credit of one fifth of the otherwise applicable Extended Reporting Period Endorsement premium will be applied to each full annual period the insured has consecutively been insured with the Company.

F. The Extended Reporting Period shall be Unlimited.

G. All Insureds previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

H. Extended Reporting Coverage is available for ERISA Fiduciary Coverage. A factor of .75 will apply to the rate.

I. Extended Reporting Coverage is available for Employment Practices Liability increased limits. A factor of .75 will apply to the rate.

J. After the Extended Reporting Period coverage has been paid, it cannot be cancelled for any reason.

**III. COVERAGE RULES**

**1 NEW DENTIST DISCOUNT**

A discount will be applied to premium for New Dentists in years 1 through 3 of practice that meet the following criteria:

Year 1: A newly graduated dentist shall be defined as a dentist who has completed training in dentistry from a domestic accredited university or dental college within the previous twelve months or the experienced military dentist who within 6 months of honorable discharge or a foreign graduate with a 2 year program from an accredited U.S. dental school, and will be joining a dental group or opening a private practice, and for whom this is the first professional liability insurance coverage provided other than that for Dental Examinations.

Years 2 or 3: The Dentist is in his or her second or third year of post graduate practice as defined above.

**2 PART TIME DENTIST**

This discount shall apply to any dentist who works twenty (20) hours or less per week or less than an aggregate of 1,050 hours during the term of an annual policy.

The part time discount is not applied to the Extended Reporting Period Endorsement unless the part time practice did not exceed an average of 1,050 hours per year over the previous five consecutive policy years.

**3 FACULTY DENTIST**

A faculty discount shall be applied to those dentists who are faculty members of an accredited dental school. The amount of the discount will be based on the hours spent teaching at the facility as defined below:

Full Time - 32 hours or more per week

Half Time - 16 to 31 hours per week

Part Time - 15 hours or less per week

**4 WAIVER OF CONSENT**

A premium discount shall be applied when the insured has waived the consent provision of the Coverage Agreements. This modification can not be added to a policy mid-term.

**5 RISK MANAGEMENT EDUCATION**

A premium discount shall be applied to those dentist who participate in an approved risk management program. Approved Risk management programs include but are not limited to completed risk management workshops, seminars, self-study, state dental society courses, accredited national organization courses, and courses completed from a previous employer.

**6 CLAIM EXPERIENCE**

Claim Free Credit:

A premium discount will be applied to those dentists who have been without a chargeable loss based on the claim history of an individual dentist over the proceeding five-year period. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

All insured previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

Claim Experience Debit:

Based on the claim history of an individual dentist over the proceeding five year period, a debit, based on a chargeable loss, shall be applied to the dentist's rate. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

Debits will be adjusted each year, dependent upon annual review of claims experience.

**7 INDIVIDUAL RISK PREMIUM MODIFICATIONS**

Individual risk premium modification (IRPM) factors may be applied to reflect account characteristics not otherwise addressed. IRPM's are based on operational controls and procedure mix; practice characteristics; loss control procedures; and claim peculiarities. The total IRPM shall not exceed + or - 25%.

**8 POLICY CHANGE ENDORSEMENT**

The "Policy Change Endorsement" will be used to correct errors or mistakes on the Declarations page.

**9 ADDITIONAL INSURED**

The "Additional Insured Endorsement" will be used to add additional insured to the policy.

**10 BOARD EXAMINATION COVERAGE**

Coverage can be restricted and provided only for students taking Board Examinations through an accredited institution, or for individuals (not students) who sit for Board Examinations and are candidates for certification and / or licensing as a dentist. This coverage can also be utilized for dentists interviewing prior to employment.

Coverage is to be written on a separate policy as follows:

- A. On an occurrence basis only;
- B. Limits of Liability shall be \$1,000,000 each claim and \$3,000,000 aggregate; and
- C. The policy period will not exceed one year from the effective date.

**11 MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Optional coverage for Medical Waste Defense Expenses Reimbursement Coverage is available with limits of \$50,000 applicable to defense costs only.

**12 LOCUM TENENS**

Coverage for a substitute dentist (120 day maximum per policy year). Prior approval required.

Locum Tenens dentists are subject to all applicable underwriting guidelines.

**13 MILITARY SERVICE**

This rule shall apply to an Insured who is called into active military service.

The policy coverage for the affected individual will continue for those Dental Incidents arising before military service began, with all other policy coverages suspended for the duration of the dentist's military service including payment of premium.

At the time private practice is resumed, the coverage and premium payment will begin with the policy's expiration date adjusted in order to reflect the duration of the individual's intervening military service. The claims made step factor that was applicable at the time of suspension will be the one in effect at the time of coverage resumption.

The Insured must provide the Company with a copy of the affected individual's military papers showing the date in which active duty is to begin. The "Military Suspension Endorsement" will be used to suspend policy coverage.

**14 DISABILITY OR LEAVE OF ABSENCE**

In contemplation of a reduction in exposure, and for a period of at least 45 days and no greater than 180 days, insured dentists shall be eligible for a "disability and / or leave of absence" premium reduction for the disability or absence period. "Disability or leave of absence" is defined as an injury, disease, medical condition or continuing education sabbatical that prevents an insured dentist from engaging in the practice of dentistry, other than in an emergency situation. This will apply



retroactively to the first day of disability or leave of absence.

**15 QUARTERLY INSTALLMENT PLAN**

The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment. There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.

First Quarter	40%
Second Quarter	20%
Third Quarter	20%
Fourth Quarter	20%

SERFF Tracking Number: AGNY-128053598 State: Illinois  
Filing Company: National Union Fire Insurance Company of State Tracking Number: AGNY-128053598  
Pittsburgh, Pa.  
Company Tracking Number: CHS-11-EO-28  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice  
Made/Occurrence  
Product Name: Dentists Professional Liability Program 018300000750  
Project Name/Number: Dentists Professional Liability Program/CHS-11-EO-28

## Supporting Document Schedules

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Explanatory Memorandum		
<b>Comments:</b> Attached please find an Explanatory Memorandum and Actuarial Exhibits.		
<b>Attachment:</b> IL-Dental PL Expl Memo & Actuarial Exs-10-2011.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Form RF3 - (Summary Sheet)		
<b>Comments:</b> Attached please find a revised Illinois Form RF-3.		
<b>Attachment:</b> IL Form RF-3 - revised.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Certification		
<b>Comments:</b> Attached please find an Illinois Certification.		
<b>Attachment:</b> IL Certification.pdf		

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Manual		
<b>Comments:</b> Attached please find Illinois Rating Rules and a blacklined copy.		
<b>Attachments:</b> IL Rating Rules (10-2011) -Clean.pdf		

SERFF Tracking Number:	AGNY-128053598	State:	Illinois
Filing Company:	National Union Fire Insurance Company of Pittsburgh, Pa.	State Tracking Number:	AGNY-128053598
Company Tracking Number:	CHS-11-EO-28		
TOI:	11.0 Medical Malpractice - Claims Made/Occurrence	Sub-TOI:	11.0006 Dentists - General Practice
Product Name:	Dentists Professional Liability Program 018300000750		
Project Name/Number:	Dentists Professional Liability Program/CHS-11-EO-28		

**National Union Fire Insurance Company of Pittsburgh, Pa.**  
**Dental Professional Liability**

**Explanatory Memorandum**  
**ILLINOIS**

National Union Fire Insurance Company of Pittsburgh, Pa. is proposing to increase the base rates for the Dental Professional Liability Program by 7%

**Exhibit 1: *CALCULATION OF INDICATED RATE LEVEL CHANGE***

Ultimate developed, trended and on-level results are shown for countrywide and state premium and loss experience for this program. Earned premiums have been adjusted to the present rate level by using the standard parallelogram method. Due to the immaturity of the most recent accident years, a Bornhuetter-Ferguson methodology has been used to project the loss & lae to ultimate. Incurred Losses and Lae are trended from the midpoint of each accident year to one year beyond the proposed effective date, in order to reflect changes in frequency and severity subsequent to the experience period. The indicated rate level change is based on a comparison of the credibility weighted loss ratio to the expected loss ratio. The complement of credibility has been assigned to the expected loss & lae ratio. An offset for investment income

**Exhibit 2: *DEVELOPMENT OF REPORTED INCURRED LOSS AND LAE TO ULTIMATE***

Countrywide and state calculation of developed ultimate loss and lae ratios are shown for the most recent years. Loss & lae ratios are based on calendar year earned premiums and accident year ultimate loss and lae, including unallocated loss expense (ex. 6)

**Exhibit 3: *INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT***

Accident Year Loss and Allocated Loss Adjustment Expense experience for Healthcare Professional Liability Programs is shown as of 3/2011, along with age to age factors and the corresponding age to ultimate development factors (Exhibit 3A). Due to the volatility of the loss development data for this program, a larger database is used to select loss development factors. This is appropriate because of the homogenous nature of these claims, as well as the fact that they are all handled by the same claims specialists. In addition, the program specific experience is included in Exhibit 3A. These factors are then applied to the countrywide Exhibit 3B and state Exhibit 3C loss experience for Dental Professional Liability.

**Exhibit 4: *TREND ANALYSIS***

Calculation of annual trend is based on the most recent ISO Medical Professional Liability trend experience (AS-PR-2011-001). The trend period extends from the midpoint of each accident year to one year beyond the assumed effective date.

**Exhibit 5: *EXPENSE PROVISIONS AND DETERMINATION OF EXPECTED LOSS RATIO***

Expense provisions are based on the expenses found for Medical Malpractice in the National Union Fire Insurance Company of Pittsburgh, Pa. Insurance Expense Exhibit. The commission expense is program specific. The expected loss & lae ratio is the complement of the total expenses and profit load. The profit & contingency factor has been calculated based on a target rate of return on equity of 11%.

**Exhibit 6: *DETERMINATION OF UNALLOCATED LOSS ADJUSTMENT EXPENSE FACTOR***

The unallocated loss expense provision is determined using data from the Miscellaneous Liability programs' cost statements for the five most recent years. The factor is expressed as a percentage of total incurred losses and allocated loss adjustment expense.

**Exhibit 7: *INVESTMENT INCOME EXHIBITS***

The investment income exhibits are based on American Home/ National Union Group's Annual Statement experience and incorporate the Medical Malpractice premium and program budgeted expense provisions to determine an indicated investment income offset. The calendar year method was used to determine investment income.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.**  
**DENTAL PROFESSIONAL LIABILITY**  
**(\$ IN 000'S)**

Exhibit 1

**DETERMINATION OF RATE LEVEL INDICATION**

**ILLINOIS**

	Accident Year	(1) Basic Limits Premium at Present Rates (Note A)	(2) Basic Limits Ultimate Loss & LAE (Exhibit 2)	(3)=(2)/(1) Ultimate Loss & LAE Ratio	(4) Trend Factor (Exhibit 4) (Note B)	(5)=(3)*(4) Trended Loss & LAE Ratio	Weight
	COUNTRYWIDE						
(1)	2006	10,810	7,527	0.696	0.839	0.584	
(2)	2007	10,674	6,131	0.574	0.862	0.495	
(3)	2008	19,940	15,673 (E)	0.786	0.886	0.697	0.20
(4)	2009	43,523	34,276 (E)	0.788	0.911	0.717	0.30
(5)	2010	43,721	33,282 (E)	0.761	0.936	0.713	0.50

**ILLINOIS**

(1)	2006	192	213	1.108	0.839	0.930	
(2)	2007	171	4	0.021	0.862	0.018	
(3)	2008	560	298 (E)	0.533	0.886	0.472	0.20
(4)	2009	2,131	2,341 (E)	1.098	0.911	1.000	0.30
(5)	2010	2,187	1,613 (E)	0.737	0.936	0.690	0.50

		<u>ILLINOIS</u>	<u>CW</u>
(6)	Weighted Average Ultimate Trended Loss and LAE Ratio	0.740	0.711
(6a)	Credibility Weights (Note C):	0.500	0.500
(6b)	Credibility Weighted Ultimate Loss & LAE Ratio (Note D):	0.725	
(7)	Target Loss & LAE Ratio [Exhibit 5]	0.599	
(8)	Indicated Rate Level Change [ (6b)/7 ] - 1	21.0%	
(9)	Selected Rate Level Change	7.0%	

**NOTES:**

- (A) The calculation of premium at present rates is done using the parallelogram method.  
 (B) Trend periods extend from the midpoint of each accident year to one year past the assumed effective date. (Exhibit 4).  
 (C) The credibility standard is 683 claims for the experience period.  
     State Credibility = Square Root(171/683)      CW Credibility=1 - State Credibility  
 (D) Credibility Weighted Ultimate Loss & LAE Ratio =  
     [State(6)\*State(6a) + CW(6)\*CW(6a) + { 1 - State (6a) - CW(6a) } \* Trended ELR ]  
 (E) Bornheutter-Ferguson Methodology used to develop ultimate loss & lae, i.e.,  
     Ultimate Loss & LAE=EPXELRX[1-1/LDF] + reported incurred loss & lae

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.**

Exhibit 2

**DENTAL PROFESSIONAL LIABILITY**

(\$ IN 000'S)

**DETERMINATION OF ULTIMATE LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS**

**ILLINOIS**

	(1)	(2)	(3)	(4)=(2)*(3)	(5)=(4)/(1)
Accident Year	Basic Limits Earned Premium	Basic Limits Reported Incurred Loss & ALAE (Exhibit 3)	Loss Development Factors (Exhibit 3A)	Ultimate Loss & L.A.E. (Incl. 3% Unalloc L.A.E.)	Ultimate Loss & L.A.E. Ratio
COUNTRYWIDE					
2006	9,713	6,170	1.184	7,527	0.775
2007	10,116	4,456	1.336	6,131	0.606
2008	19,580	10,573	1.635	17,811	0.910
2009	43,034	18,655	2.276	43,728	1.016
2010	43,585	10,951	5.414	61,062	1.401
Total	126,028	50,805		136,259	1.081

**ILLINOIS**

2006	158	175	1.184	213	1.348
2007	160	3	1.336	4	0.023
2008	560	159	1.635	268	0.479
2009	2,131	1,557	2.276	3,649	1.712
2010	2,187	497	5.414	2,772	1.267
Total	5,196	2,390		6,906	1.329

**AMERICAN HOME/NATIONAL UNION GROUP**  
**HEALTHCARE PROFESSIONAL LIABILITY PROGRAMS (including Dental)**  
(\$ in 000'S)  
**COUNTRYWIDE**

Exhibit 3A

**BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 3/2011**

Accident Year	3	15	27	39	51	63	75	87	99	111
2002	1,161	7,590	13,635	21,907	26,800	34,450	35,597	35,732	36,830	37,969
2003	501	8,112	19,583	30,924	43,430	50,949	53,769	55,087	56,333	
2004	1,125	12,546	32,188	48,757	57,858	65,713	67,684	70,601		
2005	973	19,619	31,428	41,441	56,460	65,079	69,694			
2006	2,103	14,345	35,858	57,071	69,562	74,647				
2007	654	16,595	40,343	55,192	63,995					
2008	1,535	22,338	41,101	53,253						
2009	990	18,629	53,748							
2010	995	25,381								
2011	2,790									

**INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT**

Accident Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-ULT
2002	6.539	1.796	1.607	1.223	1.285	1.033	1.004	1.031	1.031	
2003	16.206	2.414	1.579	1.404	1.173	1.055	1.025	1.023		
2004	11.153	2.566	1.515	1.187	1.136	1.030	1.043			
2005	20.168	1.602	1.319	1.362	1.153	1.071				
2006	6.820	2.500	1.592	1.219	1.073					
2007	25.368	2.431	1.368	1.160						
2008	14.552	1.840	1.296							
2009	18.815	2.885								
2010	25.503									
Weighted Average	14.462	2.237	1.441	1.246	1.145	1.049	1.028	1.026	1.031	
4 Yr Wtd Average	19.869	2.379	1.391	1.224	1.128	1.049				
3 Yr Wtd Average	18.847	2.349	1.411	1.236	1.117	1.052	1.028			
2 Yr Wtd Average	22.168	2.315	1.332	1.190	1.109	1.050	1.035	1.026		
Selected Age-to-Age		2.379	1.391	1.224	1.128	1.049	1.028	1.026	1.020	
Ultimate Factors		5.414	2.276	1.635	1.336	1.184	1.129	1.099	1.071	1.050

**AMERICAN HOME/NATIONAL UNION GROUP**  
**DENTAL PROFESSIONAL LIABILITY**  
(\$ in 000'S)  
**COUNTRYWIDE**

Exhibit 3B

**BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 3/2011**

Accident Year	3	15	27	39	51	63	75	87	99	111
2002	0	0	0	0	0	0	0	10	110	0
2003	0	0	0	0	0	0	20	94	0	
2004	0	25	83	117	129	288	606	424		
2005	0	515	979	1,572	3,227	3,807	3,000			
2006	138	1,804	4,553	7,114	9,004	6,170				
2007	131	1,215	3,839	6,322	4,456					
2008	111	3,025	8,597	10,573						
2009	65	2,139	18,655							
2010	0	10,951								
2011	1,153									

**INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT**

Accident Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
2002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	11.025	0.000
2003	1.000	1.000	1.000	1.000	1.000	1.000	4.680	0.000	
2004	1.000	3.296	1.415	1.101	2.238	2.101	0.700		
2005	5153.440	1.899	1.606	2.052	1.180	0.788			
2006	13.120	2.524	1.562	1.266	0.685				
2007	9.276	3.160	1.646	0.705					
2008	27.250	2.842	1.230						
2009	32.807	8.721							
2010	1.000								
2011									
4 Yr Wtd Average	56.412	4.356	1.424	1.112	0.831	0.886			
3 Yr Wtd Average	91.456	4.874	1.413	1.112	0.831	0.886	0.843		
2 Yr Wtd Average	200.764	5.277	1.359	1.002	0.816	0.881	0.827	1.064	



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.**

Exhibit 3C

**DENTAL PROFESSIONAL LIABILITY**

(\$ IN 000'S)

**ILLINOIS**
**BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 3/2011**

Accident Year	3	15	27	39	51	63	75	87	99	111
2002	0	0	0	0	0	0	0	0	1	0
2003	0	0	0	0	0	0	0	5	0	
2004	0	0	0	0	0	5	21	0		
2005	0	0	0	0	0	31	0			
2006	8	94	115	140	164	175				
2007	0	5	96	244	3					
2008	0	94	326	159						
2009	0	168	1,557							
2010	0	497								
2011	80									

**INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT**

Accident Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
2002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2004	1.000	1.000	1.000	1.000	1.000	4.118	1.000		
2005	1.000	1.000	1.000	1.000	1.000	1.000			
2006	12.538	1.221	1.218	1.171	1.067				
2007	1.000	20.326	2.539	0.011					
2008	1.000	3.465	0.488						
2009	1675.560	9.291							
2010	1.000								
Average ex hi/lo	2.648	2.830	1.044	1.000	1.000	1.000	1.000		
4 Yr Average	419.640	8.576	1.311	0.795	1.017	1.780			
3 Yr Average	559.187	11.027	1.415	0.727	1.022	2.039	1.000		
2 Yr Average	838.280	6.378	1.514	0.591	1.033	2.559	1.000	1.000	

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
DENTAL PROFESSIONAL LIABILITY**

Exhibit 5

**Derivation of Expected Loss Ratio**

(1) Target rate of return on equity	11.0%
(2) Premium to Surplus Ratio	61.5%
(3) Target rate of return on premium [(1)/(2)]	17.9%
(4) Rate of return on premium	17.5%
(5) Target underwriting profit (loss) [(3)-(4)/.65]	0.6%
(6) Total Expenses	39.4%
a. Commissions	25.00%
b. Other Acquisition	8.63%
c. General Expenses	2.54%
d. Taxes, Licenses & Fees	3.26%
(7) Expected Loss Ratio [1-(6)-(5)]	59.9%

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.-MEDICAL MALPRACTICE							
INSURANCE EXPENSE EXHIBIT							
Countrywide Expenses (in 000's)	2008		2009		2010		3yr Weighted AVC
	\$	%	\$	%	\$	%	%
Written Premium	107,683	----	106,863	----	104,192	----	----
Other Acquisition	6,282	5.83%	9,164	8.58%	8,994	8.63%	7.67%
General Expenses	2,004	1.86%	2,992	2.80%	2,650	2.54%	2.40%
Taxes, Licenses and Fees	4,691	4.36%	2,749	2.57%	3,401	3.26%	3.40%



Healthcare

(000's)

## Determination of Unallocated Loss Adjustment Expense Provision

(SOURCE: COMPANY COST STATEMENTS)

ITEM		2006	2007	2008	2009	2010	5-year Average
(1)	Losses Paid	206,975	188,980	212,809	205,401	223,996	207,632
(2)	Changes in Unpaid Losses	52,387	2,547	-159,111	12,440	-16,278	-21,603
(3)	Losses Incurred (1) + (2)	259,362	191,527	53,698	217,841	207,718	186,029
(4)	Allocated Loss Adjustment Expenses	72,293	76,744	85,730	103,813	101,137	87,943
(5)	Total Loss & ALAE (3) + (4)	331,655	268,271	139,428	321,654	308,855	273,973
(6)	Unallocated Loss Adjustment Expenses	7,136	7,778	8,509	8,504	9,183	8,222
(7)	Unallocated Loss Expense Ratio (6)/(5)	2.2%	2.9%	6.1%	2.6%	3.0%	3.0%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

(Explanatory Notes)

Medical Malpractice

A. UNEARNED PREMIUM RESERVE

1.	Medical Malpractice Direct Earned Premium for Calendar Year 2010		\$122,031
2.	Mean Unearned Premium Reserve [0.468* (1) ] (See Notes p. 2)		57,122
3.	Deduction for Prepaid Expenses (See notes p. 2)		
	a) Commission and Brokerage	25.00%	
	b) Taxes, Licenses and Fees	3.26%	
	c) 50% of Other Acquisition Expenses	4.32%	
	d) 50% of General Expenses	1.27%	
	e) Total	33.85%	
4.	Deduction for Federal Taxes Payable (See Notes p. 2)		7.0%
5.	Net Amount Subject to Investment Income [ (2) x (1.000 - (3) - (4)) ]		33,787

B. DELAYED REMISSION OF PREMIUMS (Agents' Balances)

1.	Direct Earned Premium [ (A.1) ]	122,031
2.	Average Agents' Balance (See Notes pp. 2-3)	0.105
3.	Delayed Remission [ (1) x (2) ]	12,804

C. LOSS RESERVE:

1.	Direct Earned Premium [ (A.1) ]	122,031
2.	Expected Incurred Loss and L.A.E. Reserves	@ ELR: 0.599 73,134
3.	Expected Mean Loss Reserves [4.489 x (2) ] (See Notes p. 3)	328,292

D. SURPLUS

1.	Direct Written Premium	119,798
2.	Surplus Subject to Investment [(D.1)/prem to surp]	194,675

E. NET AMOUNT SUBJECT TO INVESTMENT: [ (A.5) - (B.3) + (C.3) + (D.2) ]

543,950

F. AVERAGE RATE OF RETURN ON INVESTED ASSETS (See Notes p. 4)

4.63%

G. INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [ (E) x (F) ]

25,192

H. AVERAGE RATE OF RETURN (As % of Direct Earned Premium) [ (G) / (A.1) ]

20.64%

I. AVERAGE RATE OF RETURN (After Federal Income Taxes) [ (H) x 0.846 ]

17.47%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

## Medical Malpractice

Line A.1

Medical Malpractice direct earned premium for calendar year 2010 as provided by American Home/National Union Group.

Line A.2

The mean direct unearned premium reserve is determined by multiplying the Medical Malpractice direct earned premium in line (A.1) by the countrywide ratio of the mean direct unearned premium reserve to the direct earned premium for 2010. See below for calculation of this ratio. This ratio is based on data for Medical Malpractice from page 15 of the Annual Statement for American Home/National Union Group

	(In 000's)
1. Direct Earned Premium for Calendar Year 2010	\$ 122,031
2. Direct Unearned Premium Reserve as of 12/31/09	58,238
3. Direct Unearned Premium Reserve as of 12/31/10	56,005
4. Mean Direct Unearned Premium Reserve 1/2 [(2) + (3)]	57,122
5. Ratio [ (4) / (1) ]	0.468

Line A.3

## Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of the filed insurance coverage exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedure as shown.

Line A.4

## Deduction for Federal Taxes Payable:

Taxable percentage of unearned premium reserves (Tax Reform Act of 1986):	20.0%
Corporate Tax Rate:	35.0%
Total Percentage of Unearned Premium Reserve:	7.0%

Line B.2

## Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premiums beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus. (continued)

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

## Medical Malpractice

Line B.2 (continued)

Agents' balances or uncollected premiums for premiums due less than 90 days are calculated as follows:

	<u>(In 000's)</u>
1. Net Earned Premium for Calendar Year 2010	\$ 14,481,562
2. Net Agents' Balances as of 12/31/09	1,120,710
3. Net Agents' Balances as of 12/31/10	1,062,385
4. Mean Agents' Balances $1/2 \times [(2) + (3)]$	1,091,548
5. Ratio $[(4) / (1)]$	0.075

The above percentage must be multiplied by a factor of 1.392 to include the effect of agents' balances or uncollected premiums overdue for more than 90 days. The factor 1.392 is based on 2010 company data.

Final adjusted Agents' Balance:

0.1049

Line C.2

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C.3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (C.2) by the average countrywide ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses in 2009 and 2010 for Medical Malpractice Insurance. This ratio is based on Annual Statement Data.

	<u>(In 000's)</u>
1. Incurred Losses and L.A.E. for Calendar Year 2009	80,053
2. Incurred Losses and L.A.E. for Calendar Year 2010	139,190
3. Loss Reserves and L.A.E. as of 12/31/08	473,807
4. Loss Reserves and L.A.E. as of 12/31/09	455,657
5. Loss Reserves and L.A.E. as of 12/31/10	526,186
6. Mean Loss Reserve 2009: $1/2 [(3) + (4)]$	464,732
7. Mean Loss Reserve 2010: $1/2 [(4) + (5)]$	490,922
8. Ratio $(6) / (1)$	5.805
9. Ratio $(7) / (2)$	3.527
10. Average Ratio $1/2 [(8) + (9)]$	4.666
11. Loss reserve for American Home/National Union Group, selected	4.670
12. Estimated Reserve Discount	11.1%
13. Federal Taxes Payable (% of Reserves): $(12) \times .35$	0.039
14. $(11) \times [1.0 - (13)]$	4.489

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

Medical Malpractice

Line E

The rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends, and real estate income due and accrued).

<u>Year</u>	Net Investment Income Earned (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
2009	2,671,587	61,025,000	4.38%
2010	2,559,509	58,123,682	4.40%
Total	5,231,096	119,148,682	4.39%

<u>Year</u>	Realized Capital Gains (or Losses) (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
2001-2010	1,184,502	492,273,163	0.24%

Total Rate of Return:

Net Investment Income Earned and Net Realized Capital Gains (or Losses)

4.63%

Line H

The average rate of Federal Income Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2010 for the American Home/National Union Group.

	Rate of Return	Federal Income Tax Rate
Net Investment Income Earned	4.39%	0.143
Net Realized Capital Gains (or Losses)	0.24%	0.350
Total	4.63%	0.154

1.000 - Federal Income Tax Rate

0.846



ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

(Explanatory Notes)

Medical Malpractice

Line H (continued)

	Investment Income Earned	Federal Income Tax Rate
<u>Bonds</u>		
Taxable	\$ 609,517	0.350
<u>Non-Taxable</u>	<u>1,126,424</u>	<u>0.026</u>
Total	\$ 1,735,940	(A) 0.140
<u>Stocks</u>		
Taxable	\$ 31,211	0.123
<u>Non-Taxable</u>	<u>450,097</u>	---
Total	\$ 481,307	(B) 0.008
<u>Mortgage Loans and Real Estate</u>		
Mortgage Loans	\$ 0	
Real Estate	0	
Collateral Loans	0	
Cash on Deposit	0	
Short Term Investments	4,643	
<u>All Other</u>	<u>393,075</u>	
Sub-Total	\$ 397,718	0.350
Total	\$ 2,614,966	0.148
Investment Deductions	\$ 55,457	0.350
Net Investment Income Earned	\$ 2,559,509	0.143

(A) Assume 50% of the income on tax-exempt bonds is subject to proration; that is, 15% of that income is taxed at the full corporate income tax rate of 35%. The applicable tax rate is thus 2.6%.  $((.50 \times .15 \times .35) = .026)$

(B) 30% of dividend income is subject to the full corporate income tax rate of 35%. Assume 50% of the dividend income on stocks is subject to proration; that is, 15% of the remaining 70% of dividend income is taxed at a rate of 35%. The applicable tax rate is thus 12%  $((.30 \times .35) + (.50 \times .70 \times .15 \times .35) = .123)$ .

Change in Company's premium or rate level produced by rate revision effective 3/1/2012

(1) <u>Coverage</u>	(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1. Automobile Liability		
Private Passenger		
Commercial		
2. Automobile Physical Damage		
Private Passenger		
Commercial		
3. Liability Other Than Auto		
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. <u>Other - Medical Malpractice</u>	<u>\$1,925,949</u>	<u>7%</u>
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify:

No, the base rate increase applies to all classes.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):

National Union Fire Insurance Company of Pittsburgh, Pa. is proposing to increase the base rates  
for the Dental Professional Liability Program by 7%

\* Adjusted to reflect all prior rate changes.

\*\* Change in Company's premium level which will  
result from application of new rates.

National Union Fire Insurance Company of Pittsburgh, Pa.  
Name of Company

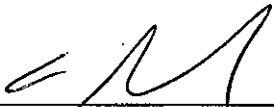
Adam C. Reed - Assistant Vice President  
Official-Title

**ILLINOIS CERTIFICATION FOR  
MEDICAL MALPRACTICE RATES**

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Adam C. Reed, a duly authorized officer National Union Fire Insurance Company of Pittsburgh, Pa. am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Mary Gaillard, a duly authorized actuary of National Union Fire Insurance Company of Pittsburgh, Pa., am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

  
\_\_\_\_\_  
Signature and Title of Authorized Insurance Company Officer

10-24-11  
Date

Mary B. Gaillard, VP & Associate Actuary,  
Signature, Title and Designation of Authorized Actuary ACAS,MAAA

10-24-11  
Date

Insurance Company FEIN: 25 - 0687550

Filing Number:

Insurer's Address : 175 Water Street

City : New York State: New York Zip Code: 10038

Contact Person's: Myron Harry  
-Name and E-mail myron.harry@chartisinsurance.com

-Direct Telephone and Fax Number: Telephone: (212) 458 7057

Fax: \_\_\_\_\_

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**  
**DENTAL PROFESSIONAL LIABILITY**  
**RATING RULES**  
**ILLINOIS**

**I. COVERAGES AVAILABLE:**

**Option I.** Dental Professional Liability (Monoline Professional Liability)  
Mandatory minimum coverage

Coverage Type  
Claims - Made or Occurrence

The following coverages will be included in the Professional Liability Coverage at no additional charge:

<u>Coverage</u>	<u>Limit of Liability</u>
Medical Payments Coverage	\$10,000
Administrative Hearing	\$50,000
Limited Health Insurance Portability and Accountability Act ("HIPAA") Defense Only Coverage	\$25,000

**Option II.** Dental Professional Package:

The following coverages are available:

<u>Coverage:</u>		<u>Coverage Type</u>
I.	Dentists Professional Liability	Claims - Made or Occurrence
II.	Dentists General Liability	Occurrence
	a. Premises, Products / Completed Operations	
	b. Medical Payments - \$10,000 / \$10,000	
III.	Non-owned & Hired Auto Liability	Occurrence
IV.	Employee Benefits Administration Liability	Occurrence
V.	Employment Practices Liability - \$5,000 / \$5,000	Claims - Made
VI.	Medical Waste Legal Reimbursement - \$50,000 / \$50,000	Claims - Made or Occurrence
VII.	Billing Errors & Omissions - \$2500/\$2500	Claims - Made

The following limits of liability are available on a per occurrence / aggregate basis as listed below:

	Coverage I Professional Liability only	Coverage II, III & IV GL, Hired & NO, Employee Benefits	Coverage V Employment Practices	Coverage VI Medical Waste Legal	Coverage VII Billing Errors & Omissions
<b>A.</b>	\$100,000 / \$300,000	\$100,000 / \$300,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>B.</b>	\$200,000 / \$600,000	\$200,000 / \$600,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>C.</b>	\$500,000 / \$1,500,000	\$500,000 / \$1,500,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>D.</b>	\$1,000,000 / \$3,000,000	\$1,000,000 / \$3,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>E.</b>	\$2,000,000 / \$4,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>F.</b>	\$2,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>G.</b>	\$3,000,000 / \$3,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>H.</b>	\$3,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>I.</b>	\$4,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>J.</b>	\$5,000,000 / \$5,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
<b>K.</b>	\$5,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500

Coverages II - VII must be purchased as a package. They are not available on a stand alone basis. Only coverage I Dental Professional Liability is available on a monoline basis. Coverage VI and VII may be added separately to a mono line Dental Professional Liability Policy.

Coverage II Dentists General Liability, Coverage III Non-owned & Hired Auto Liability and Coverage IV Employee Benefits Administration Liability limits must be equal to the limits of liability listed in the table above for the option selected by the insured.

Coverage VI, Medical Waste Legal Reimbursement limits may not be increased under this program.

Coverage VII, Billing Errors & Omissions may be increased to \$25,000 for an additional payment of \$100.

**II. GENERAL RULES**

**1 PREMIUM BASE**

Both occurrence and claims made rates apply on a per Dentist basis for Professional Liability

**2 POLICY TERM**

Policies will be written for a term of one year and renewed annually thereafter, subject to underwriting review.

**3 PREMIUM COMPUTATION**

A. Compute the premium using the rates in effect at the time of policy issuance.

B. Pro-rate the premium when policy is issued for other than one year.

C. Premiums are calculated as specified for the respective coverage. Rounding to the nearest whole dollar amount (i.e. .50 and great rounds up; .49 and below rounds down) is done after the computation of the final premium.

D. Individual Risk Premium Modifications will be added together and applied as one modification to the premium. All other factors will be multiplied against the base premium.

**4 ADDITIONAL PREMIUM CHARGES**

A. Pro-rate all changes requiring additional premium.

B. Apply the rates and rules in effect on the effective date of the change.

C. Waive additional premium of \$20.00 or less. The waiver only applies to cash exchange due on an endorsement effective date.

**5 RETURN PREMIUM CHARGES**

A. Deletion of a mandatory coverage is not permitted unless the entire policy is canceled.

B. Compute return premium at the rate used to calculate the policy premium.

C. Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.

D. Waive return premium of \$20.00 or less. Grant any return premium if requested by the Insured. This waiver only applies to cash exchanges due on the endorsement effective date.

**6 POLICY CANCELLATION**

A. Compute return premium pro rata when:

- 1 A policy is canceled at the Company's request.
- 2 The Insured no longer has a financial or an insurable interest in the subject of insurance.
- 3 A policy is canceled and rewritten in the same Company or Company Group.
- 4 A policy is canceled due to death, disability or retirement.

B. If cancellation is for any other reason than stated in A. above; compute the return premium at .90 of the pro rata unearned premium for the one-year period.

C. Retain the Policy Writing Minimum Earned Premium when the Insured requests cancellation except when a policy is canceled as of the inception date. In the event of a cancellation, the minimum premium will be considered to be the annual premium charge with cancellation premium subject to the policy writing minimum earned premium. The policy writing minimum earned premium shall be \$250.00 per annual or lesser period, unless otherwise specified for the respective coverage.

**7 LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state and territory. An exception will be allowed for dentists who have a multi-state or multi-territory exposure. We will charge the rate of the state or territory in which the dentist has a majority of his / her practice.

**8 MAXIMUM CREDITS ALLOWABLE**

The maximum amount of credits to be applied may not exceed 60% for each scheduled dentist. The maximum does not include: Waiver of consent, deductible factors, decreased limit factors, and claims made step factors.

**9 TERMINATION OF COVERAGE (CLAIMS MADE COVERAGE ONLY)**

Within thirty (30) days after the termination of coverage, as defined below, the Company will advise the Named Insured in writing of the automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage.

The Named Insured shall have the greater of sixty (60) days from the effective date of termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, to submit to the Company written acceptance of the Extended Reporting Period Coverage.

Termination of Coverage, whether made by the Company or the Named Insured at any time, means either (1) cancellation or non-renewal of a policy, or (2) decrease in limits, reduction of coverage, increased deductible or self insured retention, new exclusion or any other change in coverage less favorable to the Insured.

**10 EXTENDED REPORTING PERIOD COVERAGE (CLAIMS MADE COVERAGE ONLY)**

The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting approval.

A. The available limits of liability shall not exceed those afforded under the current policy.

B. In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.

C. Extended Reporting Period premiums shall be calculated upon the rates and premiums in effect at the beginning of the policy period.

D. The Extended Reporting Period coverage shall be reinstated to 100% of the aggregate expiring limits.

E. There will be no charge for Extended Reporting Period coverage if the Insured:

1 Dies, or

2 Becomes totally and permanently disabled

Disability shall mean the total and permanent disability from the practice of clinical dentistry for a period of six consecutive months without expectation of recovery. The disability or death must result from sickness or accidental bodily injury and be confirmed in writing by an independent attending physician.

3 Fully retires at age 50 or more and has been insured under an affiliate Company for at least 5 years.

If not insured for 5 years, a credit of one fifth of the otherwise applicable Extended Reporting Period Endorsement premium will be applied to each full annual period the insured has consecutively been insured with the Company.

F. The Extended Reporting Period shall be Unlimited.

G. All Insureds previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

H. Extended Reporting Coverage is available for ERISA Fiduciary Coverage. A factor of .75 will apply to the rate.

I. Extended Reporting Coverage is available for Employment Practices Liability increased limits. A factor of .75 will apply to the rate.

J. After the Extended Reporting Period coverage has been paid, it cannot be cancelled for any reason.

**III. COVERAGE RULES**

**1 NEW DENTIST DISCOUNT**

A discount will be applied to premium for New Dentists in years 1 through 3 of practice that meet the following criteria:

Year 1: A newly graduated dentist shall be defined as a dentist who has completed training in dentistry from a domestic accredited university or dental college within the previous twelve months or the experienced military dentist who within 6 months of honorable discharge or a foreign graduate with a 2 year program from an accredited U.S. dental school, and will be joining a dental group or opening a private practice, and for whom this is the first professional liability insurance coverage provided other than that for Dental Examinations.

Years 2 or 3: The Dentist is in his or her second or third year of post graduate practice as defined above.

**2 PART TIME DENTIST**

This discount shall apply to any dentist who works twenty (20) hours or less per week or less than an aggregate of 1,050 hours during the term of an annual policy.

The part time discount is not applied to the Extended Reporting Period Endorsement unless the part time practice did not exceed an average of 1,050 hours per year over the previous five consecutive policy years.

**3 FACULTY DENTIST**

A faculty discount shall be applied to those dentists who are faculty members of an accredited dental school. The amount of the discount will be based on the hours spent teaching at the facility as defined below:

Full Time - 32 hours or more per week

Half Time - 16 to 31 hours per week

Part Time - 15 hours or less per week

**4 WAIVER OF CONSENT**

A premium discount shall be applied when the insured has waived the consent provision of the Coverage Agreements. This modification can not be added to a policy mid-term.

**5 RISK MANAGEMENT EDUCATION**

A premium discount shall be applied to those dentist who participate in an approved risk management program. Approved Risk management programs include but are not limited to completed risk management workshops, seminars, self-study, state dental society courses, accredited national organization courses, and courses completed from a previous employer.

**6 CLAIM EXPERIENCE**

Claim Free Credit:

A premium discount will be applied to those dentists who have been without a chargeable loss based on the claim history of an individual dentist over the proceeding five-year period. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

All insured previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

Claim Experience Debit:

Based on the claim history of an individual dentist over the proceeding five year period, a debit, based on a chargeable loss, shall be applied to the dentist's rate. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

Debits will be adjusted each year, dependent upon annual review of claims experience.

**7 INDIVIDUAL RISK PREMIUM MODIFICATIONS**

Individual risk premium modification (IRPM) factors may be applied to reflect account characteristics not otherwise addressed. IRPM's are based on operational controls and procedure mix; practice characteristics; loss control procedures; and claim peculiarities. The total IRPM shall not exceed + or - 25%.

**8 POLICY CHANGE ENDORSEMENT**

The "Policy Change Endorsement" will be used to correct errors or mistakes on the Declarations page.

**9 ADDITIONAL INSURED**

The "Additional Insured Endorsement" will be used to add additional insured to the policy.

**10 BOARD EXAMINATION COVERAGE**

Coverage can be restricted and provided only for students taking Board Examinations through an accredited institution, or for individuals (not students) who sit for Board Examinations and are candidates for certification and / or licensing as a dentist. This coverage can also be utilized for dentists interviewing prior to employment.

Coverage is to be written on a separate policy as follows:

- A. On an occurrence basis only;
- B. Limits of Liability shall be \$1,000,000 each claim and \$3,000,000 aggregate; and
- C. The policy period will not exceed one year from the effective date.

**11 MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Optional coverage for Medical Waste Defense Expenses Reimbursement Coverage is available with limits of \$50,000 applicable to defense costs only.

**12 LOCUM TENENS**

Coverage for a substitute dentist (120 day maximum per policy year). Prior approval required.

Locum Tenens dentists are subject to all applicable underwriting guidelines.

**13 MILITARY SERVICE**

This rule shall apply to an Insured who is called into active military service.

The policy coverage for the affected individual will continue for those Dental Incidents arising before military service began, with all other policy coverages suspended for the duration of the dentist's military service including payment of premium.

At the time private practice is resumed, the coverage and premium payment will begin with the policy's expiration date adjusted in order to reflect the duration of the individual's intervening military service. The claims made step factor that was applicable at the time of suspension will be the one in effect at the time of coverage resumption.

The Insured must provide the Company with a copy of the affected individual's military papers showing the date in which active duty is to begin. The "Military Suspension Endorsement" will be used to suspend policy coverage.

**14 DISABILITY OR LEAVE OF ABSENCE**

In contemplation of a reduction in exposure, and for a period of at least 45 days and no greater than 180 days, insured dentists shall be eligible for a "disability and / or leave of absence" premium reduction for the disability or absence period. "Disability or leave of absence" is defined as an injury, disease, medical condition or continuing education sabbatical that prevents an insured dentist from engaging in the practice of dentistry, other than in an emergency situation. This will apply

retroactively to the first day of disability or leave of absence.

**15 QUARTERLY INSTALLMENT PLAN**

The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment. There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.

First Quarter	40%
Second Quarter	20%
Third Quarter	20%
Fourth Quarter	20%



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**  
**DENTAL PROFESSIONAL LIABILITY**  
**RATING RULES**  
**ILLINOIS**

**I. COVERAGES AVAILABLE:**

**Option I.** Dental Professional Liability (Monoline Professional Liability)  
Mandatory minimum coverage Coverage Type  
Claims - Made or Occurrence

The following coverages will be included in the Professional Liability Coverage at no additional charge:

<u>Coverage</u>	<u>Limit of Liability</u>
Medical Payments Coverage	\$10,000
Administrative Hearing	\$50,000

Limited Health Insurance Portability and Accountability Act \$25,000  
("HIPAA") Defense Only Coverage

**Option II.** Dental Professional Package:

The following coverages are available:

<u>Coverage:</u>		<u>Coverage Type</u>
I.	Dentists Professional Liability	Claims - Made or Occurrence
II.	Dentists General Liability	Occurrence
	a. Premises, Products / Completed Operations	
	b. Medical Payments - \$10,000 / \$10,000	
III.	Non-owned & Hired Auto Liability	Occurrence
IV.	Employee Benefits Administration Liability	Occurrence
V.	Employment Practices Liability - \$5,000 / \$5,000	Claims - Made
VI.	Medical Waste Legal Reimbursement - \$50,000 / \$50,000	Claims - Made or Occurrence
VII.	Billing Errors & Omissions - \$2500/\$2500	Claims - Made

The following limits of liability are available on a per occurrence / aggregate basis as listed below:

	Coverage I Professional Liability only	Coverage II, III & IV GL, Hired & NO, Employee Benefits	Coverage V Employment Practices	Coverage VI Medical Waste Legal	Coverage VII Billing Errors & Omissions
A.	\$100,000 / \$300,000	\$100,000 / \$300,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
B.	\$200,000 / \$600,000	\$200,000 / \$600,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
C.	\$500,000 / \$1,500,000	\$500,000 / \$1,500,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
D.	\$1,000,000 / \$3,000,000	\$1,000,000 / \$3,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
E.	\$2,000,000 / \$4,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
F.	\$2,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
G.	\$3,000,000 / \$3,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
H.	\$3,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
I.	\$4,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
J.	\$5,000,000 / \$5,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
K.	\$5,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500

Coverages II - VII must be purchased as a package. They are not available on a stand alone basis. Only coverage I Dental Professional Liability is available on a monoline basis. Coverage VI and VII may be added separately to a mono line Dental Professional Liability Policy.

Coverage II Dentists General Liability, Coverage III Non-owned & Hired Auto Liability and Coverage IV Employee Benefits Administration Liability limits must be equal to the limits of liability listed in the table above for the option selected by the insured.

Coverage VI, Medical Waste Legal Reimbursement limits may not be increased under this program.

Coverage VII, Billing Errors & Omissions may be increased to \$25,000 for an additional payment of \$100.

**II. GENERAL RULES**

**1 PREMIUM BASE**

Both occurrence and claims made rates apply on a per Dentist basis for Professional Liability

**2 POLICY TERM**

Policies will be written for a term of one year and renewed annually thereafter, subject to underwriting review.

**3 PREMIUM COMPUTATION**

A. Compute the premium using the rates in effect at the time of policy issuance.

B. Pro-rate the premium when policy is issued for other than one year.

C. Premiums are calculated as specified for the respective coverage. Rounding to the nearest whole dollar amount (i.e. .50 and great rounds up; .49 and below rounds down) is done after the computation of the final premium.

D. Individual Risk Premium Modifications will be added together and applied as one modification to the premium. All other factors will be multiplied against the base premium.

**4 ADDITIONAL PREMIUM CHARGES**

A. Pro-rate all changes requiring additional premium.

B. Apply the rates and rules in effect on the effective date of the change.

C. Waive additional premium of \$20.00 or less. The waiver only applies to cash exchange due on an endorsement effective date.

**5 RETURN PREMIUM CHARGES**

A. Deletion of a mandatory coverage is not permitted unless the entire policy is canceled.

B. Compute return premium at the rate used to calculate the policy premium.

C. Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.

D. Waive return premium of \$20.00 or less. Grant any return premium if requested by the Insured. This waiver only applies to cash exchanges due on the endorsement effective date.

**6 POLICY CANCELLATION**

A. Compute return premium pro rata when:

- 1 A policy is canceled at the Company's request.
- 2 The Insured no longer has a financial or an insurable interest in the subject of insurance.
- 3 A policy is canceled and rewritten in the same Company or Company Group.
- 4 A policy is canceled due to death, disability or retirement.

B. If cancellation is for any other reason than stated in A. above; compute the return premium at .90 of the pro rata unearned premium for the one-year period.

C. Retain the Policy Writing Minimum Earned Premium when the Insured requests cancellation except when a policy is canceled as of the inception date. In the event of a cancellation, the minimum premium will be considered to be the annual premium charge with cancellation premium subject to the policy writing minimum earned premium. The policy writing minimum earned premium shall be \$250.00 per annual or lesser period, unless otherwise specified for the respective coverage.

**7 LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state and territory. An exception will be allowed for dentists who have a multi-state or multi-territory exposure. We will charge the rate of the state or territory in which the dentist has a majority of his / her practice.

**8 MAXIMUM CREDITS ALLOWABLE**

The maximum amount of credits to be applied may not exceed 60% for each scheduled dentist. The maximum does not include: Waiver of consent, deductible factors, decreased limit factors, and claims made step factors.

**9 TERMINATION OF COVERAGE (CLAIMS MADE COVERAGE ONLY)**

Within thirty (30) days after the termination of coverage, as defined below, the Company will advise the Named Insured in writing of the automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage.

The Named Insured shall have the greater of sixty (60) days from the effective date of termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, to submit to the Company written acceptance of the Extended Reporting Period Coverage.

Termination of Coverage, whether made by the Company or the Named Insured at any time, means either (1) cancellation or non-renewal of a policy, or (2) decrease in limits, reduction of coverage, increased deductible or self insured retention, new exclusion or any other change in coverage less favorable to the Insured.

**10 EXTENDED REPORTING PERIOD COVERAGE (CLAIMS MADE COVERAGE ONLY)**

The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting approval.

A. The available limits of liability shall not exceed those afforded under the current policy.

B. In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.

C. Extended Reporting Period premiums shall be calculated upon the rates and premiums in effect at the beginning of the policy period.

D. The Extended Reporting Period coverage shall be reinstated to 100% of the aggregate expiring limits.

E. There will be no charge for Extended Reporting Period coverage if the Insured:

1 Dies, or

2 Becomes totally and permanently disabled

Disability shall mean the total and permanent disability from the practice of clinical dentistry for a period of six consecutive months without expectation of recovery. The disability or death must result from sickness or accidental bodily injury and be confirmed in writing by an independent attending physician.

3 Fully retires at age 50 or more and has been insured under an affiliate Company for at least 5 years.

If not insured for 5 years, a credit of one fifth of the otherwise applicable Extended Reporting Period Endorsement premium will be applied to each full annual period the insured has consecutively been insured with the Company.

F. The Extended Reporting Period shall be Unlimited.

G. All Insureds previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

H. Extended Reporting Coverage is available for ERISA Fiduciary Coverage. A factor of .75 will apply to the rate.

I. Extended Reporting Coverage is available for Employment Practices Liability increased limits. A factor of .75 will apply to the rate.

J. After the Extended Reporting Period coverage has been paid, it cannot be cancelled for any reason.

**III. COVERAGE RULES**

**1 NEW DENTIST DISCOUNT**

A discount will be applied to premium for New Dentists in years 1 through 3 of practice that meet the following criteria:

Year 1: A newly graduated dentist shall be defined as a dentist who has completed training in dentistry from a domestic accredited university or dental college within the previous twelve months or the experienced military dentist who within 6 months of honorable discharge or a foreign graduate with a 2 year program from an accredited U.S. dental school, and will be joining a dental group or opening a private practice, and for whom this is the first professional liability insurance coverage provided other than that for Dental Examinations.

Years 2 or 3: The Dentist is in his or her second or third year of post graduate practice as defined above.

**2 PART TIME DENTIST**

This discount shall apply to any dentist who works twenty (20) hours or less per week or less than an aggregate of 1,050 hours during the term of an annual policy.

The part time discount is not applied to the Extended Reporting Period Endorsement unless the part time practice did not exceed an average of 1,050 hours per year over the previous five consecutive policy years.

**3 FACULTY DENTIST**

A faculty discount shall be applied to those dentists who are faculty members of an accredited dental school. The amount of the discount will be based on the hours spent teaching at the facility as defined below:

Full Time - 32 hours or more per week

Half Time - 16 to 31 hours per week

Part Time - 15 hours or less per week

**4 WAIVER OF CONSENT**

A premium discount shall be applied when the insured has waived the consent provision of the Coverage Agreements. This modification can not be added to a policy mid-term.

**5 RISK MANAGEMENT EDUCATION**

A premium discount shall be applied to those dentist who participate in an approved risk management program. Approved Risk management programs include but are not limited to completed risk management workshops, seminars, self-study, state dental society courses, accredited national organization courses, and courses completed from a previous employer.

**6 CLAIM EXPERIENCE**

Claim Free Credit:

A premium discount will be applied to those dentists who have been without a chargeable loss based on the claim history of an individual dentist over the proceeding five-year period. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

All insured previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

Claim Experience Debit:

Based on the claim history of an individual dentist over the proceeding five year period, a debit, based on a chargeable loss, shall be applied to the dentist's rate. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

Debits will be adjusted each year, dependent upon annual review of claims experience.

**7 INDIVIDUAL RISK PREMIUM MODIFICATIONS**

Individual risk premium modification (IRPM) factors may be applied to reflect account characteristics not otherwise addressed. IRPM's are based on operational controls and procedure mix; practice characteristics; loss control procedures; and claim peculiarities. The total IRPM shall not exceed + or - 25%.

**8 POLICY CHANGE ENDORSEMENT**

The "Policy Change Endorsement" will be used to correct errors or mistakes on the Declarations page.

**9 ADDITIONAL INSURED**

The "Additional Insured Endorsement" will be used to add additional insured to the policy.

**10 BOARD EXAMINATION COVERAGE**

Coverage can be restricted and provided only for students taking Board Examinations through an accredited institution, or for individuals (not students) who sit for Board Examinations and are candidates for certification and / or licensing as a dentist. This coverage can also be utilized for dentists interviewing prior to employment.

Coverage is to be written on a separate policy as follows:

- A. On an occurrence basis only;
- B. Limits of Liability shall be \$1,000,000 each claim and \$3,000,000 aggregate; and
- C. The policy period will not exceed one year from the effective date.

**11 MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Optional coverage for Medical Waste Defense Expenses Reimbursement Coverage is available with limits of \$50,000 applicable to defense costs only.

**12 LOCUM TENENS**

Coverage for a substitute dentist (120 day maximum per policy year). Prior approval required.

Locum Tenens dentists are subject to all applicable underwriting guidelines.

**13 MILITARY SERVICE**

This rule shall apply to an Insured who is called into active military service.

The policy coverage for the affected individual will continue for those Dental Incidents arising before military service began, with all other policy coverages suspended for the duration of the dentist's military service including payment of premium.

At the time private practice is resumed, the coverage and premium payment will begin with the policy's expiration date adjusted in order to reflect the duration of the individual's intervening military service. The claims made step factor that was applicable at the time of suspension will be the one in effect at the time of coverage resumption.

The Insured must provide the Company with a copy of the affected individual's military papers showing the date in which active duty is to begin. The "Military Suspension Endorsement" will be used to suspend policy coverage.

**14 DISABILITY OR LEAVE OF ABSENCE**

In contemplation of a reduction in exposure, and for a period of at least 45 days and no greater than 180 days, insured dentists shall be eligible for a "disability and / or leave of absence" premium reduction for the disability or absence period. "Disability or leave of absence" is defined as an injury, disease, medical condition or continuing education sabbatical that prevents an insured dentist from engaging in the practice of dentistry, other than in an emergency situation. This will apply

retroactively to the first day of disability or leave of absence.

**15 QUARTERLY INSTALLMENT PLAN**

The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment. There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.

First Quarter	40%
Second Quarter	20%
Third Quarter	20%
Fourth Quarter	20%

*SERFF Tracking Number:*      *AGNY-128053598*      *State:*      *Illinois*  
*Filing Company:*      *National Union Fire Insurance Company of*      *State Tracking Number:*      *AGNY-128053598*  
    *Pittsburgh, Pa.*  
*Company Tracking Number:*      *CHS-11-EO-28*  
*TOI:*      *11.0 Medical Malpractice - Claims*      *Sub-TOI:*      *11.0006 Dentists - General Practice*  
    *Made/Occurrence*  
*Product Name:*      *Dentists Professional Liability Program 018300000750*  
*Project Name/Number:*      *Dentists Professional Liability Program/CHS-11-EO-28*

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

<b>Creation Date:</b>	<b>Schedule</b>	<b>Schedule Item Name</b>	<b>Replacement Creation Date</b>	<b>Attached Document(s)</b>
01/31/2012		Supporting Form RF3 - (Summary Sheet) Document	02/07/2012	IL Form RF-3.pdf (Superceded)

Change in Company's premium or rate level produced by rate revision effective \$134,816

(1) Coverage	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
1. Automobile Liability		
Private Passenger		
Commercial		
2. Automobile Physical Damage		
Private Passenger		
Commercial		
3. Liability Other Than Auto	\$1,925,949	7%
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other		
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify:

No, the base rate increase applies to all classes.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):

Base Rate Increase

\* Adjusted to reflect all prior rate changes.

\*\* Change in Company's premium level which will  
result from application of new rates.National Union Fire Insurance Company of Pittsburgh, Pa.

Name of Company

Official-Title